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WITNESSES: Direct Cross Direct Cross Examiner

(None.)

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STAFF

(None.)

1 JUDGE RILEY: Pursuant to the direction of the
2 Illinois Commerce Commission, I call Docket 12-0483.
3 This is a complaint by John Oleson versus Aqua
4 Illinois, Inc., as to billing and charges in
5 Mundelein, Illinois. And Mr. Oleson, I understand
6 that you are proceeding without counsel at this
7 point; is that correct?

8 MR. OLESON: Yes.

9 JUDGE RILEY: Okay. Just to advise you that
10 you can have an attorney appear on your behalf at any
11 time during this proceeding, but they would have to
12 take the record as they find it. We would not be
13 able to go back and start over.

14 MR. OLESON: I understand.

15 JUDGE RILEY: Mr. Spesia, would you enter an
16 appearance for the record, stating your name and
17 office address?

18 MR. SPESIA: Yeah. Christian Spesia,
19 S-P-E-S-I-A, office address, 1415 Black Road, Joliet,
20 Illinois, 60435, appearing on the behalf of Aqua
21 Illinois, Inc.

22 JUDGE RILEY: Mr. Oleson, just to recap, you

1 are objecting in your complaint to overcharging for
2 water customer charges and for fire protection
3 charges. In both you allege that there were two
4 meters involved?

5 MR. OLESON: Yes.

6 JUDGE RILEY: Can you explain a little more
7 thoroughly for my understanding what is actually
8 going on?

9 MR. OLESON: We built the house in 2005. The
10 house was equipped with a single service line. A
11 second meter was added to that same service line
12 inside the house. I have photographs of the meter
13 setup that I will be glad to provide. So we have
14 two meters. One goes for inside household use only.
15 The other meter goes for outside use, including
16 irrigation and house -- and the hose spigots on the
17 outside.

18 JUDGE RILEY: And do you have any idea why
19 there are two meters?

20 MR. OLESON: I put in two meters at my request,
21 and Aqua furnished the second meter to us. We paid
22 all the connection charges that were required for

1 water and sewer when the house was under
2 construction, and Aqua provided the -- both meters.
3 They were installed. They have been inspected by
4 Aqua personnel to see, to verify how they are
5 installed, and the installation of the second meter
6 was to avoid sewage charges on water delivered to the
7 house that -- water that went to the outside.

8 MR. MELTON: It does not go to the sanitary
9 sewer.

10 JUDGE RILEY: One thing. You said you were Mr.
11 Oleson's associate?

12 MR. MELTON: Yes.

13 JUDGE RILEY: Could you state your name?

14 MR. MELTON: I'm Mr. Melton.

15 JUDGE RILEY: Mr. Melton?

16 MR. MELTON: Yes, M-E-L-T-O-N.

17 JUDGE RILEY: All right. I have got to let Mr.
18 Oleson run with the ball here. You can confer with
19 him if you want.

20 MR. OLESON: I would appreciate that. He is in
21 the same exact circumstance that I am in.

22 JUDGE RILEY: Okay. But this is your

1 complaint.

2 MR. OLESON: I understand.

3 JUDGE RILEY: Right. He would have to file a
4 separate complaint if he wanted to obtain relief, but
5 what -- what is contrary to the filed tariff?

6 MR. OLESON: Contrary to the filed tariff is
7 the charges. We are being charged a second full fire
8 protection charge on the second meter. My grass does
9 not need a second fire protection charge. No
10 additional equipment is installed by Aqua Illinois to
11 provide any kind of fire protection. No changes were
12 made because I put in a second meter. Yet I am being
13 charged \$16.60 per month forever as long as that
14 meter is activated, and it's not in their tariff. It
15 specifically does not say that it is an authorized
16 charge in the tariff.

17 JUDGE RILEY: And this applies to both the
18 water customer charges and the fire protection
19 charges?

20 MR. OLESON: It applies to the fire protection
21 charge. There is two different issues. One is the
22 issue of having two meters and the charging of the

1 service charge for the meters. The other is a fire
2 protection charge, which we never had before and has
3 now been added, but instead of my neighbor -- not
4 Stuart here, but my neighbor, has a single meter.
5 They are charged one fire protection charge. Because
6 a second meter has been -- has been put in on my
7 system, I am being charged by Aqua another 16.60 per
8 month for that fire protection charge, and that's not
9 in their tariff.

10 JUDGE RILEY: Mr. Spesia, what is Aqua's
11 response to all of this?

12 MR. SPESIA: Well, Judge, on the fire
13 protection charge, I think there is some support for
14 it in the tariffs, but similar to the last case that
15 we talked about, what I would propose for all these
16 matters is if we can put this over, a representative
17 from Aqua, Craig Blanchette (phonetic) -- I've
18 actually had a chance to talk to him -- would like to
19 come out and sit with Mr. Oleson and go over his
20 various concerns. Frankly, I think a couple of these
21 issues could be resolved.

22 JUDGE RILEY: Mr. Oleson, would that be -- are

1 you amenable to that?

2 MR. OLESON: I have talked to customer service
3 at Aqua and was unable to resolve these issues. I
4 attended a meeting at Hawthorn Woods called by the
5 Hawthorn Woods mayor. Craig Blanchette appeared at
6 that meeting, and he said at that meeting that Aqua
7 might consider doing something, but it certainly is
8 not consideration of the many people in my
9 subdivision including Stuart, myself and perhaps as
10 many as 20 others that are in this same circumstance.

11 JUDGE RILEY: Well, as I said before, if there
12 are others that are in the same circumstance, they
13 are going to have to file their own complaints. We
14 can only consider yours.

15 MR. OLESON: However, if they are charging a
16 second fire protection charge on my second meter, and
17 they do this on other people's, how can they continue
18 to do it on other people's? If it violates the
19 tariff in my case, how can they continue to do it?
20 How can the ICC allow them to continue to do it for
21 other people?

22 JUDGE RILEY: Well, it hasn't been brought to

1 our attention. What Mr. Spesia is saying is that you
2 can get a one-on-one meeting with Mr. Blanchette to
3 possibly get a further explanation of this and
4 possibly a resolution.

5 MR. SPESIA: Yeah. I think if you give him the
6 opportunity at least to sit down and try to work
7 through a couple of these matters that it would make
8 sense, I think, in the end to you. And I can't speak
9 for, you know, your other neighbors, et cetera, but I
10 understand what you are saying.

11 MR. OLESON: Is this an evidentiary hearing,
12 and we are providing evidence?

13 JUDGE RILEY: No. This was -- the notice
14 specifically said it was a prehearing conference.

15 MR. OLESON: All right. Because it's important
16 that in an evidentiary hearing we can discuss the
17 issues of what their tariff says and what is being
18 applied on my specific bills. Unless we want to go
19 into all of that detail, I don't think that this
20 is -- meeting with Craig Blanchette is not going to
21 resolve the issue unless he can change the tariff,
22 and unless he can force Aqua to change the way this

1 is applied for myself.

2 JUDGE RILEY: First of all, an evidentiary
3 hearing is not a discussion. It is a presentation of
4 evidence. This is the discussion now, the prehearing
5 conference, or if we wanted to do a subsequent status
6 after you have met with Mr. Blanchette, but what I
7 was going to suggest is, why don't you give it one
8 more try with Mr. Blanchette, and if you are still
9 dissatisfied, you can have your day in court, and we
10 can set this matter for a hearing.

11 MR. OLESON: If when Mr. Blanchette were to
12 appear with me he will actually look at the tariff,
13 and be willing to tell Aqua whether they are -- their
14 interpretation of the tariff is wrong, when he -- the
15 way it is being applied for this second fire
16 protection charge, et cetera, unless he has that
17 capability --

18 MR. SPESIA: Why don't I say it this way. I'm
19 sorry. I didn't mean to interrupt you. Mr.
20 Blanchette will certainly have authority to deal with
21 these various issues. I'm not committing him to a
22 position, but I am telling you that he will have

1 authority.

2 JUDGE RILEY: I think a large part of this
3 comes down to the interpretation of those tariffs and
4 what the language is, and I think that it would be
5 beneficial to you to sort out that language with Mr.
6 Blanchette either to your satisfaction or not to your
7 satisfaction, but that would give you a better
8 understanding of just exactly what you are going to
9 bring into the evidentiary hearing. All I am saying
10 is that I think it's worth one more attempt to meet
11 with Mr. Blanchette on a one-on-one basis and see
12 what he has to say about the tariffs.

13 MR. OLESON: I have filed two informal
14 complaints with the ICC because I was unable to
15 obtain satisfaction in talking to customer service at
16 Aqua. I am not sure that I haven't followed the
17 requirements here, and I will be willing to meet with
18 Mr. Blanchette, but this may not be -- it may not
19 resolve the issue, and I want Mr. Blanchette to be
20 aware of that fact, and in order to satisfy any kind
21 of a discussion, he is going to have to provide
22 service records for me for things when we meet, or I

1 won't meet.

2 MR. SPESIA: I don't understand what you are
3 saying about service records. Are you talking about
4 the backup to the billing statements that you have
5 issues with?

6 MR. OLESON: No. Specifically, I am talking
7 about Aqua personnel have been in my home at least
8 three times, to my knowledge, over the period of time
9 since December of 2005 to verify the installation of
10 my meters, and I want the service records of those
11 inspections that were conducted inside my house so
12 that I know what is being told to Aqua that is -- how
13 my meters are installed, and if they are properly
14 installed and so on.

15 MR. SPESIA: I'm not sure what that has to do
16 with your complaint.

17 MR. OLESON: Well, it goes to another part. We
18 talked about the fire protection charge. When you go
19 back to the initial charge as far as meter operation,
20 we get into the technical language of the tariff that
21 was filed, and it appears that you have internal
22 conflicts within the tariff filing pages between what

1 is -- what is said as far as a water service charge.
2 Specifically, it says, A water service charge. I am
3 being charged two water service charges, because I
4 have -- water customer service charges because I have
5 two meters.

6 Now, the interpretation of the tariff
7 is something that -- Aqua interprets their tariff to
8 their benefit. I don't see it that way. I am one
9 customer. I have one service line, and I have two
10 meters.

11 MR. SPESIA: All I can do is ask him if he
12 would bring those records. I can't commit that he
13 will bring them. I don't see that there would be a
14 problem with it, to bring service records. I think
15 it's three times they have been in your house.

16 MR. OLESON: I believe so, and these.

17 MR. SPESIA: The way those records read, it's
18 like a computer printout. It will kind of --

19 MR. OLESON: While you --

20 MR. SPESIA: That there was a contact made.

21 MR. OLESON: The people from the Wauconda
22 office -- it's my understanding people from the

1 Wauconda office came in. I was notified by letter
2 from Aqua from the customer service office in
3 Pennsylvania, I guess, to the effect that they had to
4 come into my house to inspect this. So I allowed
5 this to happen. I got no report from the inspections
6 that were made. So I want to know what they said in
7 those inspections, because it has an important part
8 to play as to how the charges can be interpreted. I
9 am one customer, one service line, two meters, and it
10 appears to me that what's happening is that there is
11 a real question as to whether customers should be
12 charged one water customer service charge or two. I
13 am being charged two. There is also another
14 statement in there about the -- how the meters are
15 installed, and that allows a discount for a second
16 meter. So there is a very important point here as to
17 the interpretation of the tariff, which I'm not sure
18 Mr. Blanchette is going to do anything but interpret
19 the -- that tariff to the benefit of Aqua as their
20 customer service department has already done.

21 JUDGE RILEY: Mr. Oleson, if he does to your
22 dissatisfaction interpret the tariff in such a way,

1 you are perfectly free to come back here and pursue
2 your remedy.

3 MR. OLESON: Okay.

4 JUDGE RILEY: And the tariff would -- obviously
5 is the issue.

6 MR. OLESON: Okay.

7 MR. SPESIA: This is actually an attempt at a
8 settlement discussion, and if things aren't resolved,
9 we will return to the process.

10 JUDGE RILEY: That's exactly right. No one is
11 going to be foreclosed their day in court.

12 MR. OLESON: Okay. I understand that. I
13 understand that.

14 JUDGE RILEY: So why don't we do this? Why
15 don't I just move this matter? I can set it -- we
16 can set this down for a hearing date and build in
17 enough time for you to meet with Mr. Blanchette and
18 to see if you can obtain any satisfaction there at
19 all, and if not, then we can return here and pursue
20 your remedy at the hearing process.

21 MR. OLESON: Is Mr. Blanchette also going to be
22 willing to talk to me then as to why I have a

1 485 percent bill for my household water comparing the
2 old versus the new for 4,500 gallons? The new bill
3 rate is 485 percent of the old rate. It is almost
4 five times the bill I have paid previously. Is he
5 going to be able to discuss that issue as well when
6 the average bill supposedly supplied to the ICC
7 during the rate hearing case indicated substantially
8 less than that?

9 MR. SPESIA: I think you have kind of asked a
10 loaded question. So I will answer the question that
11 I want to answer, which is he will bring your billing
12 statements and will certainly discuss with you any
13 issues about your billing.

14 MR. OLESON: All right. Just so we make sure
15 to understand, it's not a question of billing. I do
16 have another detail as far as billing, because I
17 don't think -- Aqua interim rate change dates billing
18 is not following the -- probably an ICC requirement.
19 However, when I say billing, I am talking about rate
20 shock. I am talking about extreme increases in water
21 cost, and I think that the presentation of the
22 average bill that was used in that rate case, Aqua

1 should have known that the revenue splits and the
2 charges would vary drastically on customers depending
3 on the volume of water that they used. And he can
4 talk to me about it, but I think that this has to
5 have a hearing. I will meet with him and talk to him
6 about it.

7 MR. SPESIA: And that's certainly your
8 prerogative. So this isn't the trial right now. If
9 you want to sit down and talk to him, he will be
10 prepared to talk about your issues that you raise in
11 your complaint.

12 MR. OLESON: One thing I would like to clarify
13 is that in discussions with Aqua customer service, I
14 was told that I am being charged two customer service
15 charges and two fire protection charges because I
16 have two accounts. I would like to clarify that I
17 have one service line that enters into my house.
18 Inside my house as one customer I have two meters.
19 The second meter was installed with Aqua's knowledge
20 and approval as far as I know, and it's a --

21 MR. SPESIA: You know, once again, this is not
22 the formal record of the proceeding.

1 MR. OLESON: I agree.

2 MR. SPESIA: So I read what you are alleging
3 here, and Mr. Blanchette has looked at it.

4 JUDGE RILEY: What I was going to suggest is,
5 okay, we have aired this out quite thoroughly. We
6 understand your position, Mr. Oleson. See what
7 satisfaction, if any, you can obtain from your
8 meeting with Mr. Blanchette, and in the meantime,
9 let's pick a date for the hearing so that if you are
10 not satisfied with Mr. Blanchett's explanation, you
11 can come back here and present your evidence.

12 MR. OLESON: I would like -- if I am going to
13 meet with Mr. Blanchette, besides those service
14 records, I would like for him to be able to talk to
15 me about this average bill that was used in the rate
16 case that set these charges, because the average bill
17 shows that they use the same amount of gallons for an
18 average customer for the Ivanhoe Water Division and
19 the Ivanhoe Sewer Division. This means that exactly
20 the same average was used to present that information
21 to the ICC for both sewer and water. Yet, we all
22 know that we have tremendous amounts of water that is

1 not being treated for sewage, and you can't -- there
2 was a mistake in that average bill. That average
3 bill influenced the law judge in that case and then
4 probably influenced the commissioners when they voted
5 to approve this plan.

6 So I am going to talk to him about the
7 average bill. I am going to talk to him about two
8 meters being installed and two water service charges.
9 I am going to talk to him about fire protection
10 charges, one for my grass that I certainly think is
11 absolutely ridiculous.

12 JUDGE RILEY: Well, these are all valid points,
13 by all means.

14 MR. OLESON: All right.

15 JUDGE RILEY: What would be a good date for
16 hearing? I want to build in enough time for you to
17 meet with Mr. Blanchette and get the explanations
18 that you seek.

19 MR. SPESIA: Judge, are we going to work in
20 time for submittal of testimony?

21 JUDGE RILEY: Prefiled testimony?

22 MR. SPESIA: Right.

1 JUDGE RILEY: Yes. And Mr. Oleson, you can
2 submit prefiled testimony if you so desire, or you
3 can --

4 MR. OLESON: You are going to have to explain
5 to me what you mean by prefiled testimony, because I
6 am basically new at this.

7 JUDGE RILEY: Okay. What it amounts to is it
8 is a written out question and answer form, questions
9 that you would ask yourself and that you would
10 answer. And it is of any length. Just make sure
11 that it covers your entire case, it provides all of
12 the testimony that you want to put in, and then you
13 would file that with the office of the chief clerk in
14 Springfield with a verification, and that would
15 constitute your direct testimony.

16 MR. OLESON: For each one of these issues I
17 already have the bills that are associated with it,
18 the relevant pages from the tariff and so on, and I
19 have, for instance, a bill. Then my question is, you
20 know, what it shows the two fire protection charges.
21 How -- do I have to go into that kind of detail
22 written out to provide?

1 JUDGE RILEY: No, not necessarily. What you
2 would do in a case like that is simply say that have
3 you -- you know, you have these bills, that they are
4 going to be entered into evidence, that they were
5 submitted to you. They are for your account, that
6 kind of thing, but you don't have to repeat what is
7 in the bill in the testimony. It doesn't have to be
8 set forth a second time.

9 MR. OLESON: Are you understanding? So it's a
10 summary of the points then for each individual piece
11 of evidence?

12 JUDGE RILEY: I don't think I'm explaining this
13 very well. It might be better for you simply to
14 forego the prefiled testimony and just bring -- just
15 testify when you come to hearing, and I could guide
16 you through.

17 MR. OLESON: Okay. I mean, I feel like I have
18 tried to work with this on various points in order
19 and --

20 JUDGE RILEY: I understand that. But that does
21 not preclude Mr. Spesia from filing prefiled
22 testimony.

1 MR. OLESON: Fine.

2 JUDGE RILEY: How long will that take you, Mr.
3 Spesia? Do you have any idea right now?

4 MR. SPESIA: So he is not going to file any
5 direct testimony?

6 JUDGE RILEY: It doesn't seem that way now, no.

7 MR. SPESIA: Okay. I guess I need to know how
8 soon -- I know Mr. Blanchette is going to be up in
9 your area, he said, the next couple weeks. He is
10 willing to meet with you. So if that can happen in
11 the next couple weeks --

12 MR. OLESON: I can meet with him prior to
13 October 3rd, if you are talking in the next two
14 weeks.

15 MR. SPESIA: Okay. Yep. That will work.

16 JUDGE RILEY: And then depending on what you
17 learn, and assuming that we are going to go to an
18 evidentiary hearing after that, counsel, can you put
19 any timeframe at all on how much -- how long you are
20 going to need to get prefiled testimony submitted to
21 the clerk?

22 MR. SPESIA: It's hard -- without, I guess,

1 getting any testimony from him, it's -- you know, if
2 you can give me 30 days after the 3rd, because the
3 company may decide they are not going to submit
4 anything prefiled either, and we will just come up
5 and have a hearing.

6 JUDGE RILEY: Is Monday, November 5th good for
7 everyone? That's just over 30 days from now.

8 MR. OLESON: Fine.

9 JUDGE RILEY: Would that be fine?

10 MR. SPESIA: That's fine.

11 JUDGE RILEY: All right. Is 10:00 a.m. an
12 agreeable starting time?

13 MR. SPESIA: I'm sorry. So November 5th was
14 for --

15 JUDGE RILEY: For an evidentiary hearing for
16 Docket 12-0483, and my next question was, is
17 10:00 a.m. an agreeable starting time? Can the
18 parties make it here by 10:00 a.m.?

19 MR. OLESON: Yes.

20 MR. SPESIA: Yeah, that's fine, Judge.

21 JUDGE RILEY: 10:00 a.m., okay. Then why don't
22 we let it rest right there?

1 Mr. Oleson, you are going to meet
2 sometime in the next two weeks with Mr. Blanchette
3 from Aqua Illinois, and discuss all of the issues
4 that you have raised. If it's not to your
5 satisfaction, we will proceed to an evidentiary
6 hearing, and I will have a notice sent confirming the
7 date and the time.

8 MR. SPESIA: Is there a phone number that you
9 can be contacted at, Mr. Oleson?

10 MR. OLESON: (847) 949-1547.

11 JUDGE RILEY: He has two phone numbers listed
12 on his complaint.

13 MR. OLESON: And you can use the cell phone
14 number that's listed there as well.

15 MR. SPESIA: Okay. Expect a call then from Mr.
16 Blanchette.

17 MR. OLESON: All right. I will. Now, as far
18 as evidentiary information, I can give you a -- how
19 would it be if I told you what I am looking at so
20 that we can make this -- if you need -- I mean, I am
21 looking basically at my bills, the -- your tariff
22 sheets, letters that have been sent to me by Aqua, et

1 cetera. That's basically where it's coming from on
2 each of the points that I am -- that we are referring
3 to, but I have got to show you my bills in order to
4 show you the extreme change in the charge, the fact
5 that there are two meter charges, the fact that there
6 are two fire protection charges, et cetera. So I
7 need to show you those bills, and it comes -- and the
8 questions come from your tariff sheets.

9 JUDGE RILEY: This is all something you can
10 discuss with Mr. Spesia and Mr. Blanchette, you know,
11 on your own time. We are settled here. We have our
12 date set, and we will proceed on November 5th in the
13 absence of any kind of a satisfactory settlement for
14 you.

15 MR. OLESON: All right.

16 JUDGE RILEY: So I am just going to continue
17 this matter to November 5th at 10:00 a.m. for an
18 evidentiary hearing, and do the best you can in the
19 meantime with Mr. Blanchette.

20 MR. OLESON: Is there -- can you give me a
21 little idea of an evidentiary hearing? It's my
22 understanding that if this goes to an evidentiary

1 hearing, I present information first.

2 JUDGE RILEY: Right. You have the burden of
3 proof.

4 MR. OLESON: So basically I am going to ask
5 myself a question and answer the question and give my
6 view of it?

7 JUDGE RILEY: Not necessarily. I will start
8 you off with the questions.

9 MR. OLESON: Okay.

10 JUDGE RILEY: And it will all pertain to the
11 evidence you've got. What evidence do you have? You
12 know, was it prepared by you? Was it received by
13 you, that kind of thing, but you are not going to
14 have to sit there and ask yourself questions, no.

15 All right. We are continued to
16 November 5th at 10:00 a.m. for an evidentiary
17 hearing.

18 (Whereupon, the proceeding has
19 been adjourned until November
20 5th at 10:00 a.m.)

21

22